

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Comcast Cable Communications, LLC)	CSR 7371-E, 7400-E, 7427-E, 7438-E
)	
Petition for Determination of Effective)	
Competition in various Illinois Communities)	

MEMORANDUM OPINION AND ORDER

Adopted: March 25, 2008

Released: March 26, 2008

By the Associate Bureau Chief, Media Bureau:

I. INTRODUCTION AND BACKGROUND

1. Comcast Cable Communications, LLC, hereinafter referred to as “Petitioner,” has filed with the Commission a petition pursuant to Sections 76.7, 76.905(b)(2) and 76.907 of the Commission’s rules for a determination that Petitioner is subject to effective competition in those communities listed on Attachment A and hereinafter referred to as “Communities.” Petitioner alleges that its cable system serving the Communities is subject to effective competition pursuant to Section 623(l)(1)(B) of the Communications Act of 1934, as amended (“Communications Act”)¹ and the Commission’s implementing rules,² and is therefore exempt from cable rate regulation in the Communities because of the competing service provided by two direct broadcast satellite (“DBS”) providers, DirecTV, Inc. (“DirecTV”) and Dish Network (“Dish”). The petitions are unopposed.

2. In the absence of a demonstration to the contrary, cable systems are presumed not to be subject to effective competition,³ as that term is defined by Section 623(l) of the Communications Act and Section 76.905 of the Commission’s rules.⁴ The cable operator bears the burden of rebutting the presumption that effective competition does not exist with evidence that effective competition is present within the relevant franchise area.⁵ For the reasons set forth below, we grant the Petition based on our finding that Petitioner is subject to effective competition in the Communities listed on Attachment A.

II. DISCUSSION

3. Section 623(l)(1)(B) of the Communications Act provides that a cable operator is subject to effective competition if the franchise area is (a) served by at least two unaffiliated multi-channel video programming distributors (“MVPD”), each of which offers comparable video programming to at least 50 percent of the households in the franchise area; and (b) the number of households subscribing to programming services offered by MVPDs other than the largest MVPD exceeds 15 percent of the

¹See 47 U.S.C. § 543(a)(1).

²47 C.F.R. § 76.905(b)(2).

³47 C.F.R. § 76.906.

⁴See 47 U.S.C. § 543(l) and 47 C.F.R. § 76.905.

⁵See 47 C.F.R. §§ 76.906 & 907.

households in the franchise area.⁶ This test is otherwise referred to as the “competing provider” test.

4. The first prong of this test has three elements: the franchise area must be “served by” at least two unaffiliated MVPDs who offer “comparable programming” to at least “50 percent” of the households in the franchise area.⁷

5. Turning to the first prong of this test, it is undisputed that these Communities are “served by” both DBS providers, DIRECTV and Dish, and that these two MVPD providers are unaffiliated with Petitioner or with each other. A franchise area is considered “served by” an MVPD if that MVPD’s service is both technically and actually available in the franchise area. DBS service is presumed to be technically available due to its nationwide satellite footprint, and presumed to be actually available if households in the franchise area are made reasonably aware of the service’s availability.⁸ The Commission has held that a party may use evidence of penetration rates in the franchise area (the second prong of the competing provider test discussed below) coupled with the ubiquity of DBS services to show that consumers are reasonably aware of the availability of DBS service.⁹ We further find that Petitioner has provided sufficient evidence of DBS advertising in local, regional, and national media that serve the Communities to support their assertion that potential customers in the Communities are reasonably aware that they may purchase the service of these MVPD providers.¹⁰ The “comparable programming” element is met if a competing MVPD provider offers at least 12 channels of video programming, including at least one channel of nonbroadcast service programming¹¹ and is supported in this petition with copies of channel lineups for both DIRECTV and Dish.¹² Also undisputed is Petitioner’s assertion that both DIRECTV and Dish offer service to at least “50 percent” of the households in the Communities because of their national satellite footprint.¹³ Accordingly, we find that the first prong of the competing provider test is satisfied.

6. The second prong of the competing provider test requires that the number of households subscribing to MVPDs, other than the largest MVPD, exceed 15 percent of the households in a franchise area. Petitioner asserts that it is the largest MVPD in the Communities.¹⁴ Petitioner sought to determine the competing provider penetration in the Communities by purchasing a subscriber tracking report from the Satellite Broadcasting and Communications Association (“SBCA”) that identified the number of subscribers attributable to the DBS providers within the Communities on a zip code and zip code plus four basis where necessary.¹⁵

7. Based upon the aggregate DBS subscriber penetration levels that were calculated using

⁶47 U.S.C. § 543(1)(1)(B); *see also* 47 C.F.R. § 76.905(b)(2).

⁷47 C.F.R. § 76.905(b)(2)(i).

⁸*See* Petition at 3.

⁹*Mediacom Illinois LLC et al., Eleven Petitions for Determination of Effective Competition in Twenty-Two Local Franchise Areas in Illinois and Michigan*, 21 FCC Rcd 1175 (2006).

¹⁰47 C.F.R. § 76.905(e)(2).

¹¹*See* 47 C.F.R. § 76.905(g). *See also* Petition at 4.

¹²*See* Petition at 4.

¹³*See* Petition at 2-3.

¹⁴*Id* at 5.

¹⁵Petition at 5-6. A zip code plus four analysis allocates DBS subscribers to a franchise area using zip code plus four information that generally reflects franchise area boundaries in a more accurate fashion than standard five digit zip code information.

Census 2000 household data,¹⁶ as reflected in Attachment A, we find that Petitioner has demonstrated that the number of households subscribing to programming services offered by MVPDs, other than the largest MVPD, exceeds 15 percent of the households in the Communities. Therefore, the second prong of the competing provider test is satisfied for each of the Communities.

8. Based on the foregoing, we conclude that Petitioner has submitted sufficient evidence demonstrating that both prongs of the competing provider test are satisfied and Petitioner is subject to effective competition in the Communities listed on Attachment A.

III. ORDERING CLAUSES

9. Accordingly, **IT IS ORDERED** that the petition for a determination of effective competition filed in the captioned proceeding by Comcast Cable Communications, LLC **IS GRANTED**.

10. **IT IS FURTHER ORDERED** that the certification to regulate basic cable service rates granted to any of the Communities set forth on Attachment A **IS REVOKED**.

11. This action is taken pursuant to delegated authority pursuant to Section 0.283 of the Commission's rules.¹⁷

FEDERAL COMMUNICATIONS COMMISSION

Nancy Murphy
Associate Bureau Chief, Media Bureau

¹⁶Petition at 6-7.

¹⁷47 C.F.R. § 0.283.

ATTACHMENT A

CSR 7371-E, 7400-E, 7427-E, 7438-E

COMMUNITIES SERVED BY COMCAST CABLE COMMUNICATIONS, LLC

Communities	CUID(S)	CPR*	2000 Census Household	Estimated DBS Subscribers
<u>CSR 7371-E</u>				
Chicago Ridge	IL0604	18.57%	5,739	1,066
Evergreen Park	IL0603	17.68%	7,471	1,321
Homewood Village	IL0335	16.95%	7,552	1,280
<u>CSR 7400-E</u>				
Aroma Park	IL0041	35.38%	308	109
Ashkum	IL0298	32.78%	302	99
Bourbonnais	IL0043	37.91%	5,341	2,025
Bradley	IL0044	32.30%	5,041	1,628
Chebanse	IL0358	44.31%	440	195
Clifton	IL0297 IL1627	30.44%	519	158
Herscher	IL0291	43.71%	533	233
Kankakee	IL0046	25.41%	10,020	2,546
St Anne	IL0296	42.02%	464	195
Sun River Terrace	IL1547	41.42%	140	58
<u>CSR 7427-E</u>				
Bridgeview	IL0396	18.88%	5,631	1,063
Burbank	IL0314	17.48%	9,317	1,629
Countryside	IL1133	16.87%	2,661	449
Darien	IL0323	15.41%	8,735	1,346
Hillside	IL0901	17.64%	2,998	529
Hodgkins	IL0361	17.24%	841	145

Communities	CUID(S)	CPR*	2000 Census Household	Estimated DBS Subscribers
Indian Head Park	IL0847	17.11%	1,683	288
La Grange	IL0848	16.99%	5,624	956
La Grange Park	IL0849	16.70%	5,432	907
Lombard	IL0902	15.67%	16,487	2,583
Lyons	IL0324	16.41%	4,032	662
McCook	IL0455	16.80%	119	20
North Riverside	IL0399	15.84%	2,935	465
Oakbrook Terrace	IL0616	17.02%	1,198	204
Riverside	IL0871	15.85%	3,552	563
Vila Park	IL1055	16.62%	7,810	1,298
Westchester	IL0510	16.71%	7,015	1,172
Western Springs	IL0666	17.28%	4,318	746
Woodridge	IL0714	17.16%	11,382	1,953
<u>CSR 7438-E</u>				
Buffalo Grove	IL0515 IL0516	16.05%	15,708	2,521
Elk Grove	IL0518	15.88%	13,278	2,109
Hoffman Estates	IL0522	15.13%	17,034	2,577
Palatine	IL0491	17.49%	25,518	4,464
Rolling Meadows	IL0521	15.24%	8,923	1,360

*CPR = Percent of competitive DBS penetration rate.